

ASSEMBLY BILL

No. 150

Introduced by Assembly Member Smyth

January 22, 2009

An act to add Section 6398 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 150, as introduced, Smyth. Sales and use taxes: exemption: energy efficient products.

The Sales and Use Tax Law imposes a tax on the gross receipts from the sale in this state of, or the storage, use, or other consumption in this state of, tangible personal property. That law provides various exemptions from that tax.

This bill would also exempt from that tax during a qualified period, which would be defined as April 24 of each year beginning in 2010, energy efficient products, as defined, including specified layaway agreements.

Counties and cities are authorized to impose local sales and use taxes in conformity with state sales and use taxes. Exemptions from state sales and use taxes enacted by the Legislature are incorporated into the local taxes.

Section 2230 of the Revenue and Taxation Code provides that the state will reimburse counties and cities for revenue losses caused by the enactment of sales and use tax exemptions.

This bill would provide that, notwithstanding Section 2230 of the Revenue and Taxation Code, no appropriation is made and the state shall not reimburse local agencies for sales and use tax revenues lost by them pursuant to this bill.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 6398 is added to the Revenue and
2 Taxation Code, to read:

3 6398. (a) During a qualified period, there are exempted from
4 the taxes imposed by this part the gross receipts from the sale in
5 this state of, and the storage, use, or other consumption in this state
6 of, energy efficient products.

7 (b) For purposes of this section, all of the following apply:

8 (1) "Energy efficient products" means a product that meets or
9 exceeds the applicable ENERGY STAR efficiency requirements
10 developed by the United States Environmental Protection Agency
11 and the United States Department of Energy.

12 (2) "Qualified period" means the period beginning at 12:00 a.m.
13 on each April 24 and ending at 11:59 p.m. on each April 24, which
14 date annually occurs during the week of Earth Day. The first
15 qualified period begins on April 24, 2010.

16 (c) The exemption provided for by this section also includes
17 any of the following sales:

18 (1) Layaway agreements entered into during the qualified period
19 specified in paragraph (2) of subdivision (b) for which the
20 purchaser has made a deposit of at least 10 percent of the sale price
21 of the energy efficient product.

22 (2) The sale of an energy efficient product pursuant to an order
23 placed by the purchaser and paid for in full during the qualified
24 period specified in paragraph (2) of subdivision (b),
25 notwithstanding the fact that delivery of the energy efficient
26 product is made subsequent to the period of the exemption.

27 SEC. 2. Notwithstanding Section 2230 of the Revenue and
28 Taxation Code, no appropriation is made by this act and the state
29 shall not reimburse any local agency for any sales and use tax
30 revenues lost by it under this act.

31 SEC. 3. This act provides for a tax levy within the meaning of
32 Article IV of the Constitution and shall go into immediate effect.

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